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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Continue
Implementation and Administration of California
Renewables Portfolio Standard Program.

Rulemaking 06-05-027
(Filed May 25, 2006)

**ASSIGNED COMMISSIONER'S RULING
APPROVING 2007 TRANSMISSION RANKING COST REPORTS**

The 2007 Transmission Ranking Costs Reports (TRCRs) are approved.

Background

Transmission costs are considered in the least cost and best fit (LCBF) ranking of bids. These bids are submitted by prospective sellers of electricity generated from eligible renewable resources as part of solicitations undertaken pursuant to the California Renewables Portfolio Standard (RPS) Program. (Pub. Util. Code § 399.11 et seq.) Decision (D.) 04-06-013 adopted a methodology for the development and consideration of transmission costs for this purpose.

D.05-07-040 modified the transmission cost methodology in part.

TRCRs have been approved by assigned Commissioners' Rulings for the 2004, 2005 and 2006 RPS solicitations.¹ D.06-05-039 directed that the assigned Commissioner or Administrative Law Judge set a schedule for consideration of TRCRs relative to the 2007 RPS solicitation. It also directed that the assigned

¹ Rulings dated September 10, 2004 and October 21, 2005 in Investigation 00-11-001, and May 17, 2006 in Rulemaking 04-04-026.

Commissioner assess the adequacy of TRCRs, and determine whether each TRCR should be approved, modified, or other steps taken, before each TRCR is used in the LCBF ranking of bids in the 2007 solicitation. (D.06-05-039, Ordering Paragraph 7.)

A schedule for consideration of TRCRs was adopted in the August 21, 2006 Scoping Memo, and slightly modified by ruling dated September 14, 2006. On November 8, 2006, timely TRCRs were filed and served by San Diego Gas & Electric Company (SDG&E), Southern California Edison Company (SCE), and Pacific Gas and Electric Company (PG&E). Comments on the draft TRCRs were due by November 22, 2006. No comments were filed.

Discussion

A proposed decision will soon be filed and served regarding the 2007 RPS procurement plans of SDG&E, SCE and PG&E. It is reasonable to consider TRCRs now, in order to have this element of the process complete and ready for the 2007 RPS solicitation.

No party objects to the adoption of the TRCRs as filed by each utility. There are no reasons known why any TRCR should be modified or other steps taken before its use in the 2007 solicitation. Each TRCR should be approved for that purpose.

IT IS RULED that:

1. The following Transmission Ranking Cost Reports are approved for the purpose of least cost and best fit ranking bids in the 2007 solicitation of generation from renewable resources:

- a. 2007 Transmission Ranking Cost Report of San Diego Gas & Electric Company dated November 8, 2006,

- b. 2007 Transmission Ranking Cost Report of Southern California Edison Company dated November 8, 2006, and
 - c. 2007 Transmission Ranking Cost Report of Pacific Gas and Electric Company dated November 8, 2006.
2. This ruling shall also be served on the service lists for:
- a. Investigation (I.) 00-11-001 (investigation into implementation of Assembly Bill 970 regarding transmission and distribution constraints), and
 - b. I.05-09-005 (investigation to facilitate proactive development of transmission infrastructure to access renewable resources).

Dated January 10, 2007, at San Francisco, California.

/s/ MICHAEL R. PEEVEY
Michael R. Peevey
Assigned Commissioner

INFORMATION REGARDING SERVICE

I have provided notification of filing to the electronic mail addresses on the attached service list.

Upon confirmation of this document's acceptance for filing, I will cause a copy of the filed document to be served upon the service list to this proceeding by U.S. mail. The service list I will use to serve the copy of the filed document is current as of today's date.

Dated January 10, 2007, at San Francisco, California.

/s/ FANNIE SID

Fannie Sid